

Sent by: sagent;

Page 2/14

**micros**Exhibit 1 to Opposition to Motion  
for Summary Judgment

December 19, 2001

BY FEDERAL EXPRESS;  
BY FAX: 650-815-3500.Sagent Technology, Inc.  
800 West El Camino Real, Suite 300  
Mountain View, CA 94040  
Attn: Josef Rashty, CPA, Director of FinanceMICROS Systems, Inc.  
7031 Columbia Gateway Drive  
Columbia, MD 21046-3289  
443.285.6000 Telephone  
www.micros.comRe: Sagent Technology, Inc. ("Sagent") Software

Dear Mr. Rashty:

This letter is being sent in response to recent inquiries concerning Sagent's invoice number STDINV2874 for \$112,000. In June 2000, Sagent pressured MICROS Systems, Inc. ("MICROS"), a Maryland corporation, and insisted that MICROS purchase a license to certain Sagent software, despite that there were cheaper alternatives available to MICROS in lieu of an outright purchase of the license, and despite the fact that MICROS did not have any entity to which to resell the license. As an accommodation to Sagent, and on the dual understandings that Sagent and MICROS would continue to work together to serve mutual customers, and that MICROS could return the item if it were not used or resold, MICROS agreed to Sagent's terms. In fact, in consideration of MICROS's issuing the conditional purchase order at Sagent's request, Peter Rogers, MICROS Vice President, Business Development, was personally assured by Messrs. Gene Garrett and Vincent De Geonaro at two meetings on May 10, 2000 and June 6, 2000 that Sagent would sell the licenses if MICROS was unable to do so.

Since that time, it has become clear that Sagent pressured MICROS into purchasing something that it did not need to purchase or want to purchase. In addition, MICROS has not installed or used the product at any time, nor resold the product despite Sagent's assurances that it would partner with MICROS in the prompt resale of the product. Consequently, enclosed for return please find the disk that purportedly contains the software - the disk is still in its original shrink-wrap and is wholly unused. MICROS expects that Sagent will immediately credit MICROS's account for the full amount of the invoice price for this item. Please direct any correspondence confirming that credit to my attention.

S00049

micros **RECEIVED**

Z P 181 081

MICROS SYSTEMS

APR 25 2003 1:12PM

-Sent by: sagent;

650-815-3284;

Mar 12 13:15;

Page 3/14

Josef Rashty  
December 19, 2001  
Page 2

MICROS has received threats from Sagent of litigation, as well as threats of unjustified action in respect of MICROS customers. These threats are especially offensive in light of the fact that MICROS has paid to Sagent over \$528,900 over the past 3 years, and Sagent's assurances that it would re-sell the software MICROS conditionally purchased from Sagent. MICROS expects that Sagent will honor its contractual and other commitments, and MICROS will vigorously defend any claims brought against it should Sagent elect to litigate this matter. MICROS hereby reserves any and all other rights, claims, demands, and defenses.

Sincerely,



Michael H. Tow  
Counsel, MICROS Systems, Inc.

## Enclosure

cc: Thomas L. Patz, Esq.  
Peter Rogers  
Donald E. Sharpe, Esq.

S00050

NO. 081 P. 3

APR. 25. 2003 1:13PM MICROSYSTEMS

> From: Dan Van Veen  
 > Sent: Thursday, January 03, 2002 6:23 PM  
 > To: John Siegman  
 > Subject: Micros emails-  
 > Importance: High  
 >  
 > <<RE: Contract>> <<RE: Insight Authorization>> <<Status Of Request>>  
 > <<RE: MICROS Relationship with USI and Sagent>> <<MICROS Relationship  
 > with USI and Sagent>> <<Outstanding Invoices>> <<Update on InSight  
 > Leads>> <<RE: Proposal for Peter Rogers' Software Purchase>> <<RE:  
 > Proposal for Peter Rogers' Software Purchase>> <<RE: Sagent's E-CRM  
 > Seminar>> <<RE: Outstanding Invoices>> <<Proposal for Peter Rogers'  
 > Software Purchase>> <<RE: Outstanding Invoices>> <<Outstanding

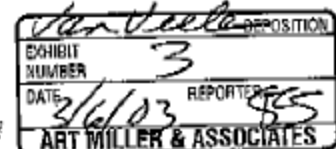
> Invoices>> <<InSight ASP and Whitbread IP>>  
 >  
 >  
 > John,

> I don't know if Gene or Vincent made any promises outside the box. I was  
 > not party to any conversations, HOWEVER, Micros has been a good client  
 > and legal action is not a viable solution. I would like the opportunity  
 > to meet with them and hear Peter's side of things-

> The emails I have clearly support our case-

> KEEP THESE BETWEEN US FOR NOW  
 >  
 >  
 >

> Dan VanVeen  
 > Regional Sales Director  
 > Sagent Technology, Inc.  
 > direct 703/267-2705  
 > mobile 703/298-0126  
 >



From: SCallini@MICROS.COM  
 Sent: Thursday, February 08, 2001 10:47 AM  
 To: Dan Van Veen  
 Subject: Proposal for Peter Rogers' Software Purchase

Dan,

To recap what we were talking about yesterday, one of our outstanding invoices is for the software bundle Peter Rogers bought from you last summer for \$136,000. His intention at the time was 2-fold: to get the ASP rolling, as well as to help Sagent (as best we could at the time) make its quarterly target. With Micros' customer base being a bit tight-pocketed the past few quarters, staffing the development and maintenance of the ASP model has been put on hold. My team is going to concentrate on the full-install model that we already have. Actually, we have some very good leads about to bear fruit.

You and Peter had agreed to allow the software he purchased to be an asset on our shelf for some of the next full-install projects. I'd like to rearrange licenses, so that they are more apt to be useful to us in our next full-installs. One big problem with the original agreement is that \$24,000 of it was for annual support.

I had to push hard to get the AmeriKing consulting invoices for \$178,000 through our CFO. There are already grumbling about our relationship with Sagent and "why are we sending them so much money"... I've been assuring them that any expenses going out to Sagent have been more than covered by revenues from InSight's customers. For the AmeriKing job, that has been somewhat acceptable... they had been less aware of the revenues from AmeriKing, and more sensitive to the expenses. On the other hand, they were less than excited about the mix of revenue sharing, as you can understand from the Excel sheet I sent you. But the old invoices are for revenues realized a LONG time ago, and the expenses against them are coming at the absolute worst time.

I'd like to take the \$24,000 for support off the Rogers' purchase. For the remaining \$112,000, I'd like to call them 2 Data Loads (v 4.2) + 1 Analytical Calc (2 x \$75,000 + \$10,000 = \$160,000 - 30% = \$112,000). Once we resell the Data Loads, the \$24,000 in support will come to pass anyway.

Let me know if that is acceptable, and what we would need to do to have the paperwork reflect the new arrangement. Also, if the invoice could be reissued to reflect 2 Loads, an AC & no annual support, I'll see to it that it gets paid ASAP.

Thanks, Dan.

EXHIBIT	POSITION
NUMBER 9	
DATE 3/6/03	REPORTER
ART MILLER & ASSOCIATES	

From: SCallnin@MICROS.COM  
 Sent: Friday, March 30, 2001 11:34 AM  
 To: Dan Van Veelen  
 Subject: RE: Proposal for Peter Rogers' Software Purchase

Hi, Dan.

Okay on the Analytical Calculator. We'll leave that in the invoice, making it 2 Data Loads and 1 AC for \$112,000.

Regarding the reissuing of the software, the original invoice called for 1 Data Load, 1 Data Access/WebLink, and 1 AC (and then Support & SEL). But that was intended at the time for an ASP version of InSight. That initiative has been postponed, so we would prefer to have 2 Data Loads available for the next 2 standard, full-install projects.

The AC license may or may not be useful in the next couple of projects... it would depend on the complexity of the solution required. Our straightforward InSight core (read, not like AmeriKing) would not call for the Analytical Calculator. If possible, please entertain the idea of making the balance of the invoice after the 2 Data Load packages (\$112,000 - (2 x \$53,000)) a license for the Forecasting transform. I'd like to get that piece loaded onto our development server so we can try making some add-on modules for InSight. I think a mechanism built into InSight for Sales and Labor forecasting could really set InSight apart from any other products out there, and make InSight even more attractive as we begin now to get our Micros Sales force proactive about selling Data Warehousing.

Scott

> -----Original Message-----

> From: Dan Van Veelen [mailto:dvanveelen@sagent.com]  
 > Sent: Friday, March 23, 2001 4:06 PM  
 > To: 'SCallnin@MICROS.COM'  
 > Subject: RE: Proposal for Peter Rogers' Software Purchase

> Scott,

> The analytical calculator will remain a listed (extra) item. The  
 > information Matt & Sanjay passed on was incorrect. Can you refresh my  
 > memory on the invoices- why do we need to reissue the software? I thought  
 > the issue at hand was the maintenance dollars...

> Also, can you give me a date as to when the outstanding balances we spoke  
 > about will be paid? If they have been paid already please disregard.

> Lastly, any news on the deals we spoke about?

> Have a great weekend,

> Dan

> -----Original Message-----

> From: SCallnin@MICROS.COM [mailto:SCallnin@MICROS.COM]  
 > Sent: Friday, March 16, 2001 9:38 AM  
 > To: dvanveelen@sagent.com  
 > Subject: RE: Proposal for Peter Rogers' Software Purchase

> Dan,

> I hadn't seen a reissued invoice based on \$112,000 for two licenses  
 > of Data Load and 1 Analytical Calculator. One question though... we heard  
 > version 4.5 is due out soon. From previous talks with Matt and/or Sanjay,  
 > I believe Sagent was going to have Analytical Calculator come as part of  
 > the Data Load package & not priced separately? Is that going to be the  
 > case when v 4.5 comes out? If so, let's talk about making your new

EXHIBIT NUMBER 10		DATE 3/16/03	REPORTER [Signature]
ART MILLER & ASSOCIATES			

> Forecaster transform the balance of Peter's commitment from last summer.

>  
> I think the Forecaster might end up being our next most resellable  
> product after the Data Load package. We saw the Web demo of Forecaster a  
> couple months ago, and can easily see how it fits into InSight...  
> predicting seasonally, labor scheduling, menu mix, inventory, etc. While  
> working recently on our sales approach, we decided to spend some R&D time  
> extending the data warehousing foundation, which is really all we have in  
> InSight at this point, by developing the kinds of strategic reports and  
> analysis capabilities that will allow restaurant chains to hit big ROI  
> homeruns with InSight. Forecaster will play nicely into that initiative.

>  
> Talk to you later, Dan.

>  
> Scott

>  
> -----Original Message-----  
> From: Dan Van Veele (mailto:dvanveelen@sagent.com)  
> Sent: Thursday, February 08, 2001 11:04 AM  
> To: 'SCallnin@MICROS.COM'  
> Subject: RE: Proposal for Peter Rogers' Software

> Purchase

>  
> Scott,

>  
> No problem with reissuing the software licenses to reflect  
> two Data Load Servers and one Analytical Calculator. The maintenance will  
> begin with the next sale. I will draft a letter approving this  
> reallocation of the licenses and send you a copy no later than tomorrow's  
> close of business.

>  
> Dan

>  
> -----Original Message-----  
> From: SCallnin@MICROS.COM  
> [mailto:SCallnin@MICROS.COM]  
> Sent: Thursday, February 08, 2001 10:47 AM  
> To: DVanVeelen@sagent.com  
> Subject: Proposal for Peter Rogers' Software

> Purchase

>  
> Dan,

>  
> To recap what we were talking about yesterday, one  
> of our outstanding invoices is for the software bundle Peter Rogers bought  
> from you last summer for \$136,000. His intention at the time was 2-fold:  
> to get the ASP rolling, as well as to help Sagent (as best we could at the  
> time) make its quarterly target. With Micros' customer base being a bit  
> tight-pocketed the past few quarters, staffing the development and  
> maintenance of the ASP model has been put on hold. My team is going to  
> concentrate on the full-install model that we already have. Actually, we  
> have some very good leads about to bear fruit.

>  
> You and Peter had agreed to allow the software he  
> purchased to be an asset on our shelf for some of the next full-install  
> projects. I'd like to rearrange licenses, so that they are more apt to be  
> useful to us in our next full-installs. One big problem with the original  
> agreement is that \$24,000 of it was for annual support.

>  
> I had to push hard to get the AmeriKing consulting  
> invoices for \$178,000 through our CFO. There are already grumbling about  
> our relationship with Sagent and "why are we sending them so much  
> money"... I've been assuring them that any expenses going out to Sagent  
> have been more than covered by revenues from InSight's customers. For the  
> AmeriKing job, that has been somewhat acceptable... they had been less  
> aware of the revenues from AmeriKing, and more sensitive to the expenses.  
> On the other hand, they were less than excited about the mix of revenue  
> sharing, as you can understand from the Excel sheet I sent you. But the  
> old invoices are for revenues realized a LONG time ago, and the expenses  
> against them are coming at the absolute worst time.

- > I'd like to take the \$24,000 for support off the
- > Rogers' purchase. For the remaining \$112,000, I'd like to call them 2
- > Data Loads (v 4.2) + 1 Analytical Calc (2 x \$75,000 + \$10,000 = \$160,000
- > - 30% = \$112,000). Once we resell the Data Loads, the \$24,000 in support
- > will come to pass anyway.
- >
- > Let me know if that is acceptable, and what we would
- > need to do to have the paperwork reflect the new arrangement. Also, if
- > the invoice could be reissued to reflect 2 Loads, an AC & no annual
- > support, I'll see to it that it gets paid ASAP.
- >
- > Thanks, Dan.



Karina Thich

From: Tiffany Nguyen  
 Sent: Friday, October 12, 2001 4:17 PM  
 To: Josef Rashty  
 Cc: Dan Van Veelen; Michelle Liu; Karina Thich  
 Subject: RE: Micros System Outstanding Invoice

oops...I meant please authorize

-----Original Message-----

From: Tiffany Nguyen  
 Sent: Friday, October 12, 2001 4:11 PM  
 To: Josef Rashty  
 Cc: Dan Van Veelen; Michelle Liu; Karina Thich  
 Subject: Micros System Outstanding Invoice

Josef,

Please authorize a credit for \$24,000.00 (maintenance) against invoice # STDINV2874. The reason is at the time of purchases Micros System has the intention of rebuilt and resell the software to AmeriKing. Micros promised that if they are able to resell the rebuilt product to AmeriKing then it's up to AmeriKing to purchase this support. Therefore, we should invoice Micros System for *Sagent Solution Package (Access & Load & Web) at \$105,000.00 and Statistic Calculator 4.1 at \$7,000.00*. The total for this invoice should be \$112,000.00 and not \$136,000.00. Scott Callnin from Micros System has been looking forward to pay for this invoice yet, for some reason the communication was never clear on our accounting end. I like to put this to bed and ask for you to approve of this credit.

Josef, here is proof of communications between Dan Van Veelen and Micros System representative Scott Callnin.

-----Original Message-----

> From: SCallnin@MICROS.COM [mailto:SCallnin@MICROS.COM]  
 > Sent: Friday, March 16, 2001 9:38 AM  
 > To: dvanveelen@sagent.com  
 > Subject: RE: Proposal for Peter Rogers' Software

> Purchase

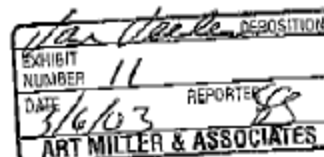
> Dan,

> I hadn't seen a reissued invoice based on \$112,000 for two  
 > licenses of Data Load and 1 Analytical Calculator. One question though.  
 > we heard version 4.5 is due out soon. From previous talks with Matt  
 > and/or Sanjay, I believe Sagent was going to have Analytical Calculator  
 > come as part of the Data Load package & not priced separately? Is that  
 > going to be the case when v 4.5 comes out? If so, let's talk about making  
 > your new Forecaster transform the balance of Peter's commitment from last  
 > summer.

> I think the Forecaster might end up being our next most  
 > resellable product after the Data Load package. We saw the Web demo of  
 > Forecaster a couple months ago, and can easily see how it fits into  
 > InSight... predicting seasonally, labor scheduling, menu mix, inventory,  
 > etc. While working recently on our sales approach, we decided to spend  
 > some R&D time extending the data warehousing foundation, which is really  
 > all we have in InSight at this point, by developing the kinds of strategic  
 > reports and analysis capabilities that will allow restaurant chains to hit  
 > big ROI homeruns with InSight. Forecaster will play nicely into that  
 > initiative.

> Talk to you later, Dan.

> Scott



S00053



>  
 > -----Original Message-----  
 > From: Dan Van Veelen  
 > [mailto:dvanveelen@sagent.com]  
 > Sent: Thursday, February 08, 2001 11:04 AM  
 > To: 'SCallnin@MICROS.COM'  
 > Subject: RE: Proposal for Peter Rogers'  
 > Software Purchase

> Scott,  
 >  
 > No problem with reissuing the software licenses to  
 > reflect two Data Load Servers and one Analytical Calculator. The  
 > maintenance will begin with the next sale. I will draft a letter  
 > approving this reallocation of the licenses and send you a copy no later  
 > than tomorrow's close of business.

> Dan  
 >  
 > -----Original Message-----  
 > From: SCallnin@MICROS.COM  
 > [mailto:SCallnin@MICROS.COM]  
 > Sent: Thursday, February 08, 2001 10:47 AM  
 > To: DVanVeelen@sagent.com  
 > Subject: Proposal for Peter Rogers' Software  
 > Purchase

> Dan,  
 >  
 > To recap what we were talking about yesterday, one  
 > of our outstanding invoices is for the software bundle Peter Rogers bought  
 > from you last summer for \$136,000. His intention at the time was 2-fold:  
 > to get the ASP rolling, as well as to help Sagent (as best we could at the  
 > time) make its quarterly target. With Micros' customer base being a bit  
 > tight-pocketed the past few quarters, staffing the development and  
 > maintenance of the ASP model has been put on hold. My team is going to  
 > concentrate on the full-install model that we already have. Actually, we  
 > have some very good leads about to bear fruit.

> You and Peter had agreed to allow the software he  
 > purchased to be an asset on our shelf for some of the next full-install  
 > projects. I'd like to rearrange licenses, so that they are more apt to be  
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 > agreement is that \$24,000 of it was for annual support.

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 > invoices for \$178,000 through our CFO. There are already grumbling about  
 > our relationship with Sagent and "why are we sending them so much  
 > money"... I've been assuring them that any expenses going out to Sagent  
 > have been more than covered by revenues from InSight's customers. For the  
 > AmeriKing job, that has been somewhat acceptable... they had been less  
 > aware of the revenues from AmeriKing, and more sensitive to the expenses.  
 > On the other hand, they were less than excited about the mix of revenue  
 > sharing, as you can understand from the Excel sheet I sent you. But the  
 > old invoices are for revenues realized a LONG time ago, and the expenses  
 > against them are coming at the absolute worst time.

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 > Rogers' purchase. For the remaining \$112,000, I'd like to call them 2  
 > Data Loads (v 4.2) + 1 Analytical Calc (2 x \$75,000 + \$10,000 = \$160,000  
 > - 30% = \$112,000). Once we resell the Data Loads, the \$24,000 in support  
 > will come to pass anyway.

> Let me know if that is acceptable, and what we would

S00054

- > need to do to have the paperwork reflect the new arrangement. Also, if
- > the invoice could be reissued to reflect 2 Loads, an AC & no annual
- > support, I'll see to it that it gets paid ASAP.

>

Thanks, Dan.

Josef, please approve this credit so, I can email the revised invoice to Scott Cathin and have him wire the money over. Also, I this would help me in trying to collect others Micros Systems outstanding invoices. And, this would also help me get AmeriKing to approve their future annual maintenance for \$24,720.00. Please let me know if you have any question.

Many Thanks,

Tiffany Nguyen  
Maintenance Specialist  
Sagent Technology Inc.  
800 West El Camino Real, Suite 300  
Mountain View, CA 94040  
Tel: 650-815- 3220  
Fax: 650-815-3428  
Email: tnguyen@sagent.com

S00055

REDACTED

-----Original Message-----

From: Dan Van Veelen [mailto:dvanveelen@sagent.com]  
Sent: Tuesday, October 16, 2001 10:51 AM  
To: 'SCallnin@MICROS.COM'  
Subject: RE: Outstanding Invoices

Hey Scott,

Good to hear from you- fortunately our Federal Business has been pretty lively of late. We seem to be getting some good traction, our commercial business has been relatively slow and we are hoping that the 4th quarter will pick up on that side.

Sorry we have to go through this again with invoices, I too was under the impression that these issues were resolved.

I am waiting on a call from Tiffany to get her ok to approve all of the adjustments you mentioned in your mail.

I will get back to you when I have more info.

Dan

-----Original Message-----

From: SCallnin@MICROS.COM [mailto:SCallnin@MICROS.COM]  
Sent: Monday, October 15, 2001 8:08 PM  
To: DVanVeelen@sagent.com  
Subject: FW: Outstanding Invoices

Dan,

How have you been? I had hoped to have heard from Foxwoods by the end of the summer about another InSight engagement, but it's been dead quiet on that front. It's disappointing that the restaurant industry is still not ready to embrace the data warehousing concept. I hope things are more lively on Sagent's other fronts.

It appears you've had another turnover in your accounting department, and the new folks are likewise eager to spearhead another initiative to get all past due invoices rounded up. You will see 4 of the invoices below are for AmeriKing, while there is nothing about Beefeater at all. The AmeriKing job is fully settled, and all we were down to (with John Vito keeping close tabs) was (1) the Peter Rogers "Summer of 2000" software pre-purchase, and (2) the \$28,800 still due for Jim Hadley's help on the Beefeater project in 1999.

Sounds like this acct's receivable person is starting all over again from scratch, and getting just as confused as those who attempted to straighten out your invoices last Nov/Dec. But I tell you, I just can't invest any more time in explanation. I spent about 3-4 full weeks worth of time...

Handwritten: 12		DISPOSITION
EXHIBIT NUMBER	12	
DATE	7/6/03	REPORTED
ART MILLER & ASSOCIATES		

000005

some 150 hours... last fall in matching up invoices, accounting for Sanjay's time, tracking down copies of checks, writing exhaustive explanations to everyone involved, and so on. If Paul Armstrong finds out I've spent even another minute on these issues, even writing this email, he'd go through the roof!

In short, the 4 Amkg invoices are likely a combination of a couple we found to be overlapping and a couple that you, Matt Comstock and I agreed we would eliminate in lieu of going back and adjusting the 50/50 IP split to 80/20. That was the more agreeable solution since Micros had already paid Sagent \$50,000 out of the \$100,000 IP that Amkg paid us in May 2000. I've got reams of paperwork cross-referencing every timesheet of Sanjay by every task completed on the job by every invoice that has come and gone, and I'm sure you will recall that I had shown you and Matt how everything added up. So rather than pull out all that mess again, please verify with Tiffany that AmerKing billing should have been put to bed months ago.

Lastly, the invoice for \$112,000 is for the software Peter Rogers agreed to purchase as a gesture of good faith when Sagent was trying to make its numbers 4 quarters ago. I'm glad to see the \$24,000 for Annual Support has been corrected off, but the quantity was not changed from 1 Load/Access/WebLink & a Stat Calc, to 2 Loads and an Analytical Calc as we talked about a number of times. Below Tiffany's email is the chain of the various times we agreed to the software makeup for this deal. It also further reiterates the same as I've written above... that we have only the Peter Rogers software (once the invoice is correct) plus 2 invoices for \$22,800 and \$6,000 on the Beefeater job left outstanding.

Sorry to bring up this old hassle again, but Tiffany sounds like she will be rather persistent until she herself understands 100% of what transpired. But it was a difficult enough task making heads or tails of all of this when we were involved with it, let alone being an outsider. Please let Tiffany know that I cannot spare her any time for revisiting these issues yet a third time. At best, I can participate in a conference call (as she suggested) between you, she and I. But I hope you will be able to clear things up with her directly.

And I will honestly push very hard on this end to get those 2 remaining issues... Peter Rogers and Beefeater... cleared through Micros's accounting and paid to you.

Thanks, Dan.

Scott Callnin  
(443) 285-8288

-----Original Message-----

From: Tiffany Nguyen [mailto:tnguyen@sagent.com]  
Sent: Monday, October 15, 2001 1:56 PM  
To: 'SCallnin@MICROS.COM'  
Subject: Outstanding Invoices

<<MicrosSystems.doc>> <<Microsfdiv2392.doc>> <<Microstdinv3190.doc>>  
<<microstdinv3192.doc>> <<microstdinv4106.doc>>  
Scott,

First off, I want to thank you for all your patient with our invoicing department. I know that you have been anxious to pay for the software license invoice. Unfortunately, the issue was miss communicated. Therefore, I want to apologize for all the convenience this has cost you. Anyhow, would like to take a shot at trying to settle this payment issues. I have a list of all outstanding invoices in which I like for you to help us get them paid. Scott, please review this and let me know what else I might be missing or when you can get your accounting department to pay for these invoices.

Please call me if you would like to discuss about this matter.

Many Thanks,

Tiffany Nguyen  
Maintenance Specialist  
Sagent Technology Inc.  
800 West El Camino Real, Suite 300  
Mountain View, CA 94040  
Tel: 650-815-3220  
Fax: 650-815-3428  
Email: tnguyen@sagent.com

-----Original Message-----

From: Callnin, Scott  
Sent: Thursday, June 21, 2001 4:38 PM  
To: Dan VanVeelen (E-mail)  
Subject: FW: Proposal for Peter Rogers' Software Purchase

Hi, Dan.

Here is the email you requested when you called and left a message on Tuesday. I've conferred with Peter Rogers and gotten some more details you should know about. Nobody in Finance, nor Peter or myself have seen a reissued invoice reflecting 2 Data Loads and 1 AC for \$112,000 as we've discussed a couple of times since February. I think that if you can get that produced, we can move forward on those licenses.

One odd development related to these licenses:

- Peter just received an invoice for Annual Support for Sharis for \$24,000. This is not for Sharis, but ever since that first client when you entered Micros into your finance system, almost every invoice comes to us with "Sharis Restaurants Mgmt" and their Portland, OR address in the Bill To section of the invoice.
- The \$24,000 Annual Support is the amount that would have been applicable if we had gone ahead and developed an ASP model of InSight. That amount was built into the original \$136,000, 1 Data Load, 1 Data Access deal you and Peter were putting together.
- With the revision to 2 Data Loads & 1 AC, the invoice amount was to drop to \$112,000. The \$24,000 Annual Support would not get activated until those Data Load licenses were resold to our next clients.

Could you look into revising the \$136,000 invoice to \$112,000 and then have this new \$24,000 invoice cancelled?

Lastly, one of my Product Specialists just finished up a 2 week trip to London to make some necessary upgrades and revisions to Beefeater's data warehouse. Beefeater's payment of the consulting work Jim Hadley & I did in 1999 was made contingent on Andrew's doing the upgrade & revision. So we should be able to have the client sign off on acceptance, at last, and Beefeater will pay the outstanding balance of about 50,000 UK pounds that are due to us. Of that, we owe Sagent \$28,800 for Jim Hadley's time. I'll let you know as soon as we've received the balance.

And that should wrap up all outstanding invoices for Micros. John Vito, in your Florida A/R department, may have a few more invoices in his system. But the waiving of those other invoices -- overlapping invoices & Sanjay's putting in time sheets for non-billable days on the AmeriKing project; plus this new one for \$24K in support -- you were going to make contingent on our getting these last 2 big invoices resolved. Once we have paid both of them, you might need to advise John Vito to clear any other balance.

Thanks, Dan.

Scott Callnin

-----Original Message-----

From: Callnin, Scott  
Sent: Friday, March 30, 2001 11:49 AM

000007



To: 'Dan Van Veelen'  
 Subject: RE: Proposal for Peter Rogers' Software Purchase

Hi, Dan.

Okay on the Analytical Calculator. We'll leave that in the invoice, making it 2 Data Loads and 1 AC for \$112,000.

Regarding the reissuing of the software, the original invoice called for 1 Data Load, 1 Data Access/WebLink, and 1 AC (and then Support & SEL). But that was intended at the time for an ASP version of InSight. That initiative has been postponed, so we would prefer to have 2 Data Loads available for the next 2 standard, full-install projects.

The AC license may or may not be useful in the next couple of projects... it would depend on the complexity of the solution required. Our straightforward InSight core (read, not like AmeriKing) would not call for the Analytical Calculator. If possible, please entertain the idea of making the balance of the invoice after the 2 Data Load packages (\$112,000 - (2 x \$53,000)) a license for the Forecasting transform. I'd like to get that piece loaded onto our development server so we can try making some add-on modules for InSight. I think a mechanism built into InSight for Sales and Labor forecasting could really set InSight apart from any other products out there, and make InSight even more attractive as we begin now to get our Micros Sales force proactive about selling Data Warehousing.

Scott

-----Original Message-----

From: Dan Van Veelen [mailto:dvanveelen@sagent.com]  
 Sent: Friday, March 23, 2001 4:06 PM  
 To: 'SCallnin@MICROS.COM'  
 Subject: RE: Proposal for Peter Rogers' Software Purchase

Scott,

The analytical calculator will remain a listed (extra) item. The information Matt & Sanjay passed on was incorrect. Can you refresh my memory on the invoices- why do we need to reissue the software? I thought the issue at hand was the maintenance dollars...

Also, can you give me a date as to when the outstanding balances we spoke about will be paid? If they have been paid already please disregard.

Lastly, any news on the deals we spoke about?

Have a great weekend,

Dan

-----Original Message-----

From: SCallnin@MICROS.COM [mailto:SCallnin@MICROS.COM]  
 Sent: Friday, March 16, 2001 9:38 AM  
 To: dvanveelen@sagent.com  
 Subject: RE: Proposal for Peter Rogers' Software Purchase

Dan,


I hadn't seen a reissued invoice based on \$112,000 for two licenses of Data Load and 1 Analytical Calculator. One question though... we heard version 4.5 is due out soon. From previous talks with Matt and/or Sanjay, I believe Sagent was going to have Analytical Calculator come as part of the Data Load package & not priced separately? Is that going to be the case when v 4.5 comes out? If so, let's talk about making your new Forecaster transform the balance of Peter's commitment from last summer.

I think the Forecaster might end up being our next most resellable product after the Data Load package. We saw the Web demo of Forecaster a couple months ago, and can easily see how it fits into InSight... predicting seasonally, labor scheduling, menu mix, inventory, etc. While working

000003



recently on our sales approach, we decided to spend some R&D time extending the data warehousing foundation, which is really all we have in InSight at this point, by developing the kinds of strategic reports and analysis capabilities that will allow restaurant chains to hit big ROI homeruns with InSight. Forecaster will play nicely into that initiative.

 Talk to you later, Dan.

Scott

-----Original Message-----

From: Dan Van Veelen [mailto:dvanveelen@sagent.com]  
Sent: Thursday, February 08, 2001 11:04 AM  
To: 'SCallnin@MICROS.COM'  
Subject: RE: Proposal for Peter Rogers' Software Purchase

Scott,

No problem with reissuing the software licenses to reflect two Data Load Servers and one Analytical Calculator. The maintenance will begin with the next sale. I will draft a letter approving this reallocation of the licenses and send you a copy no later than tomorrow's close of business.

Dan

-----Original Message-----

From: SCallnin@MICROS.COM [mailto:SCallnin@MICROS.COM]  
Sent: Thursday, February 08, 2001 10:47 AM  
To: DVanVeelen@sagent.com  
Subject: Proposal for Peter Rogers' Software Purchase


Dan,

To recap what we were talking about yesterday, one of our outstanding invoices is for the software bundle Peter Rogers bought from you last summer for \$136,000. His intention at the time was 2-fold: to get the ASP rolling, as well as to help Sagent (as best we could at the time) make its quarterly target. With Micros' customer base being a bit tight-pocketed the past few quarters, staffing the development and maintenance of the ASP model has been put on hold. My team is going to concentrate on the full-install model that we already have. Actually, we have some very good leads about to bear fruit.

You and Peter had agreed to allow the software he purchased to be an asset on our shelf for some of the next full-install projects. I'd like to rearrange licenses, so that they are more apt to be useful to us in our next full-installs. One big problem with the original agreement is that \$24,000 of it was for annual support.

I had to push hard to get the AmeriKing consulting invoices for \$178,000 through our CFO. There are already grumbling about our relationship with Sagent and "why are we sending them so much money"... I've been assuring them that any expenses going out to Sagent have been more than covered by revenues from InSight's customers. For the AmeriKing job, that has been somewhat acceptable... they had been less aware of the revenues from AmeriKing, and more sensitive to the expenses. On the other hand, they were less than excited about the mix of revenue sharing, as you can understand from the Excel sheet I sent you. But the old invoices are for revenues realized a LONG time ago, and the expenses against them are coming at the absolute worst time.

I'd like to take the \$24,000 for support off the Rogers' purchase. For the remaining \$112,000, I'd like to call them 2 Data Loads (v 4.2) + 1 Analytical Calc (2 x \$75,000 + \$10,000 = \$160,000 - 30% = \$112,000). Once we resell the Data Loads, the \$24,000 in support will come to pass anyway.

 Let me know if that is acceptable, and what we would need to do to have the paperwork reflect the new arrangement. Also, if the invoice could be reissued to reflect 2 Loads, an AC & no annual support, I'll see to it that it gets paid ASAP.

000000

Peter Rogers, Jr. - 1/22/03

1

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

SAGENT TECHNOLOGY, INC \* CIVIL ACTION JFM-02-2505  
Plaintiff

vs. \* Baltimore, Maryland

MICROS SYSTEMS, INC. \*  
Defendant \* January 22, 2003  
\* \* \*

Deposition of PETER ROGERS, JR., a witness  
of lawful age, taken on behalf of the Plaintiff in the  
above-entitled cause, pending in the District Court of  
the United States for the District of Maryland, before  
Dawn L. Venker, a Notary Public in and for Baltimore  
County, Maryland, at 7031 Columbia Gateway Drive,  
Columbia, Maryland 21046, on the 22 day of January,  
2003.

\* \* \* \* \*

APPEARANCES:

SCOTT H. PHILLIPS, Esquire  
For the Plaintiff

MICHAEL H. TOW, Esquire  
For the Defendant

Reported By: Dawn L. Venker

Peter Rogers, Jr. - 1/22/03

<p style="text-align: right;">10</p> <p>1 the morning of June 6th, or thereabouts -- it was on 2 June 6th. 3 Q 2000? 4 A 2000. We were visited by Vincent 5 DeGennaro, Gene Garrett, and Dan VanVeelen. Purpose of 6 the meeting -- they requested the meeting. I believe 7 Vince was -- Mr. DeGennaro was traveling with Gene 8 assessing prospects as a corporate relationship at the 9 same time really feeling out, assessing with MICROS, 10 purchases of additional licenses. 11 At the meeting, they expressed that they 12 were going to give us an offer for all licenses. They 13 left. Later that afternoon I received a call from Mr. 14 Garrett where he gave me verbally over the phone an 15 offer. I believe five licenses, ten licenses, and 16 fifty licenses. 17 Q You said "we" a couple of times. Was there 18 any other MICROS representative present at that June 19 6th meeting? 20 A Scott Callin was in the meeting along with 21 myself.</p>	<p style="text-align: right;">12</p> <p>1 Dan VanVeelen assessing if we were going to accept the 2 offer of purchasing licenses. 3 Q And these calls came in subsequent days I 4 assume? 5 A Yes, sir. 6 Q Did you take any notes on those subsequent 7 telephone calls? 8 A No. 9 Q Did there come a time when you called 10 Mr. Garrett back or Mr. VanVeelen to advise him of a 11 decision the company had made in that regard? 12 A The decision was made on the 30th of June. 13 Little background. The calls from Gene on 14 the 6th. He was quite concerned about his quarter -- 15 his standing at the company. They had missed numbers, 16 i.e., financial results. It was a lot of pressure, and 17 we had met prior -- a month ago and developed a pretty 18 good rapport as Mr. Callin expressed just in the 19 relationship meeting back in early May. He had gone to 20 Wake Forest. So we talked about ACC basketball. He 21 had run track for Wake Forest. I had run track for</p>
<p style="text-align: right;">11</p> <p>1 Q So it was you and Mr. Callin, 2 Mr. VanVeelen, Vincent DeGennaro, and Gene Garrett? 3 A Correct. 4 Q Did you take any notes during that June 6th 5 meeting? 6 A Yes. 7 Q And that meeting was held here? 8 A Yes. 9 Q And when Mr. Garrett called you later that 10 same day, did you take any notes on that telephone 11 call? 12 A Yes. 13 Q Have you produced either of those sets of 14 notes to Mr. Tow in that case? 15 A Yes. 16 Q What, if anything, followed on the 17 telephone call from Mr. Garrett once he had offered you 18 the several licenses? 19 A There were several phone calls. I cannot 20 tell exactly how many, but at least two from Gene 21 Garrett -- Mr. Garrett, as well as at least one from</p>	<p style="text-align: right;">13</p> <p>1 Penn. So developed a good rapport and clearly wasn't a 2 term of partnership. 3 So we built upon that. Didn't feel 4 negative. We are partners. We need to make numbers. 5 If we don't make numbers, may not be here. That was on 6 June 6th. 7 Q That was Mr. Garrett on June 6th? 8 A Mr. Garrett. Now, they expressed in that 9 meeting that morning that they were going to give us an 10 offer, and that they would work with us. And it would 11 be substantial in terms of licenses. 12 Q Did they elaborate any on the notion that 13 we'll work with you? 14 A Yes. They expressed that they will work 15 with us. 16 Q Did they get more specific in terms of how 17 they would work with you? 18 A That they would resell it. They talked a 19 large quantity, and that they would refund if 20 necessary. But they clearly preferred to resell it or 21 work through the channel. But they expressed their</p>

4 (Pages 10 to 13)

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NO. 081 P. 18

MICROS SYSTEMS

APR. 25. 2003 1:17PM

Peter Rogers, Jr. - 1/22/03

<p style="text-align: right;">14</p> <p>1 desire, interest, and intent to help us find customers 2 to tell them through. 3 Q Who said those statements? 4 A Gene Garrett, Dan VanVeelen also, as well 5 as Mr. DeGennaro. 6 Q Let me make sure I understand. All three 7 of these individuals at some point during the June 6th, 8 2000 meeting indicated to you that if MICROS could not 9 resell or otherwise use the licenses that were 10 contemplated in this transaction, that they could be 11 returned to Sagent for a full refund and that Sagent 12 would try to resell the licenses? 13 A That's correct. 14 Q When Mr. Garrett called you later that day, 15 was that notion again expressed in that telephone call? 16 A Yes. Because he offered a substantial 17 discount to go to five, ten, or fifty, and I expressed 18 my concern how could I consume all that given at the 19 time I had only sold I believe two or three licenses. 20 So five licenses seemed somewhat relevant, but they 21 express interest, "Here's an offer for ten and fifty.</p>	<p style="text-align: right;">16</p> <p>1 Q Did the other two say anything along those 2 lines? 3 A There was -- in the conversation in the 4 morning, language was used. In the afternoon 5 conversation, it was just between myself and 6 Mr. Garrett. He said we'll take them if needed. 7 Q I meant to refer to the morning meeting -- 8 I apologize -- when everyone was there. 9 A Mr. Garrett expressed that with backup. It 10 is difficult with three people talking the exact 11 language, but Mr. Garrett was the key salesperson. 12 Q And he is the one that made that specific 13 comment to you? 14 A That's correct, but at the same time during 15 the conversation, he was supported by Dan -- 16 Mr. VanVeelen as well as Mr. DeGennaro. 17 Q In what way did those two gentlemen support 18 that comment? 19 A Terms -- comment about the partnership, and 20 that they want to work with us to sell through. And 21 they looked at us as a key sales partner with the</p>
<p style="text-align: right;">15</p> <p>1 Substantial discounts." I expressed, "How can I handle 2 those if I don't have customers?" They said, "We'll 3 work with you. We'll help you get rid of them." 4 Really language in terms of take them. 5 Because we had met back in May, and we had 6 bright -- we had optimism that product would take hold. 7 We were going to deploy it on the USi platform offered 8 via the Web. It was a lot of speculation -- 9 speculation is not the right word -- industry buzz 10 about a lot of software systems moving to the Web. 11 So it was in that vein that we acquired -- 12 we needed a license to get our USi product going and 13 really was just wondering how many customers. It was 14 really difficult only having three how many were really 15 going to sell, but I was struck by the extent of the 16 numbers they were offering, plus the discounts. 17 Q Among Mr. Garrett, Mr. VanVeelen, and 18 DeGennaro, which of those three indicated to you the 19 notion that Sagent would take the product back and 20 fully credit your account if you couldn't use them? 21 A Mr. Garrett.</p>	<p style="text-align: right;">17</p> <p>1 product. 2 Q Did either of them express the specific 3 comment that Sagent would accept for a full refund the 4 product back if you couldn't use it? 5 A They would say -- the language was that 6 we'll help you sell through, and take back if needed. 7 I can't remember specifically full refund. 8 Q We'll talk in a little while about some 9 notes. I don't know whether they are your notes yet, 10 but there are some notes that have been produced. In 11 that context, let me ask you this. Did you record in 12 the handwritten notes that you took from either the 13 morning meeting or the afternoon telephone call from 14 Mr. Garrett this notion about return of the product and 15 full refund? 16 A No. 17 Q Is there any reason you did not? 18 A No. I would write numbers down generally. 19 Specific numbers so I didn't misquote them. I take 20 notes, but I don't exactly write down everything in a 21 conversation.</p>

5 (Pages 14 to 17)

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61 P. 180 ON

MICROS SYSTEMS

APR. 25. 2003 1:18PM

**micros**

MICROS Systems, Inc.  
 7001 Columbia Gateway Drive  
 Columbia, MD 21046-2289  
 443.285.8000 Telephone  
 www.micros.com

June 30, 2000

Dan VanVeelen  
 Regional Manager  
 Sagent Technology  
 3601 Eisenhower Avenue,  
 Suite 130  
 Alexandria, Va 22304

Dear Dan:

This letter serves as a purchase order by MICROS Systems, Inc. PO#6,30.00, for the software and services specified in the attached quote. This order provides for MICROS's purchase of the specified Sagent products to be used by USi Internetworking with MICROS's Insight Product Warehousing Product.

Terms: net 30

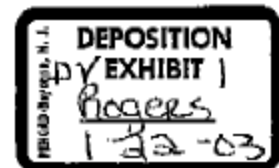
Price: Software	\$112,000.00	Data Access Package & Analytical Calculator)
Technical Support	<u>24,000.00</u>	
Total Price	\$136,000.00	

Bill To and Ship To Address:  
 MICROS Systems, Inc.  
 12000 Baltimore Avenue  
 Beltsville, MD 20705-1291

Please call me if you have any questions.

Sincerely,

*[Signature]*  
 Peter J. Rogers, Jr.  
 Vice President, Business Development & Investor Relations  
 MICROS Systems, Inc.

**micros**

S00032

**(SAGENT)****Micros****Exhibit A**

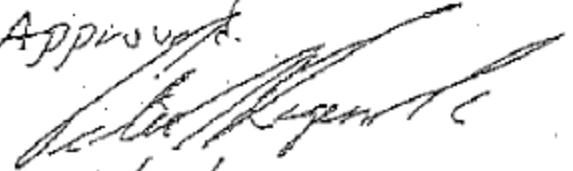
Company Name: Micros  
 Attention: Peter Rogers  
 Address: 7031 Columbia Gateway Dr.  
 Columbia, MD 21046  
 FAX number: 443-285-8068  
 Telephone number: 443-285-0466

Sagent Office: Alexandria, Va  
 Sagent Rep: Dan VanVleet  
 Sagent Tel: 703-317-3252  
 Sagent Fax: 703-317-2351  
 Date: 6/30/00

Sagent Product & Description	Product Included	License Fee	Qty	Total
Sagent Data Mgmt Solution	Sagent Data Manager Package Includes: 1 Data Access Server (2 up to 1) Design Studio with Reports & Analysis, Admin, and Automation	\$150,000	1	\$150,000
	Analysis Calculator	\$10,000	1	\$10,000
	Software Subtotal			\$160,000
	Software Total			\$160,000
Annual Maintenance & Support	Technical Support & Upgrades	\$24,000 \$24,000	1	\$24,000
				\$184,000
	<b>TOTAL INVESTMENT</b>			<b>\$184,000</b>

\*Annual Maintenance & Support terms and conditions, see attached Support Agreement.  
 Maintenance and Support includes phone and online support, enhancements and upgrades.

Additional Terms & Conditions:  
 1) Applicable tax handling and shipping are additional.  
 2) Payment terms Net 30.

Approved:  
  
 6/30/00  
 VP. Business Development



Scott Callnin - 1/22/03

1

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

SAGENT TECHNOLOGY, INC \* CIVIL ACTION JFM-02-2505  
Plaintiff \*  
vs. \* Baltimore, Maryland  
MICROS SYSTEMS, INC. \*  
Defendant \* January 22, 2003  
\* \* \*

Deposition of SCOTT CALLNIN, a witness of  
lawful age, taken on behalf of the Plaintiff in the  
above-entitled cause, pending in the District Court of  
the United States for the District of Maryland, before  
Dawn L. Venker, a Notary Public in and for Baltimore  
County, Maryland, at 7031 Columbia Gateway Drive,  
Columbia, Maryland 21046, on the 22nd day of January,  
2003.

\* \* \* \* \*

APPEARANCES:

SCOTT H. PHILLIPS, Esquire  
For the Plaintiff

MICHAEL H. TOW, Esquire  
For the Defendant

ALSO PRESENT: PETER ROGERS, JR.

Reported By: Dawn L. Venker

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410-828-4148

Scott Callnin - 1/22/03

<p style="text-align: right;">30</p> <p>1 of that e-mail, you say, "Thanks, Dan. Scott Callnin,"</p> <p>2 and then there is your phone number. Do you see that?</p> <p>3 A Yes.</p> <p>4 Q If you look to the very paragraph right</p> <p>5 above that, "And I will honestly push very hard on this</p> <p>6 end." Do you see that?</p> <p>7 A The one just above?</p> <p>8 Q Correct.</p> <p>9 A Yes.</p> <p>10 Q That indicates that as of the date of that</p> <p>11 e-mail, which is reflected on the previous page, of</p> <p>12 October 15th, 2001, you were still trying to get Sagent</p> <p>13 paid for the \$112,000 invoice. Is that your</p> <p>14 understanding?</p> <p>15 A Was trying to get the invoices changed and</p> <p>16 for the outstanding accounting issues to be cleared up.</p> <p>17 Q When you say the invoices changed, tell me</p> <p>18 what you mean by that.</p> <p>19 A Although we had had verbal agreement</p> <p>20 probably sometime not too long after the initial</p> <p>21 meeting in June 6th, 2000 about making the changes to</p>	<p style="text-align: right;">32</p> <p>1 Q A few minutes ago you said that in addition</p> <p>2 to trying to get the invoices changed, you were trying</p> <p>3 to get some accounting issues cleared up. I think that</p> <p>4 was your phrase. What do you mean by that?</p> <p>5 A We had several different fronts that had</p> <p>6 their own separate accounting paperwork generated, and</p> <p>7 they had been mixed in with one another. Invoices</p> <p>8 improperly being assigned to one project versus</p> <p>9 another. Sagent had I think two or three pretty large</p> <p>10 turnovers in their finance department, and so at least</p> <p>11 three different times over the year between our</p> <p>12 meetings with this and about the winter of 2002 I had</p> <p>13 to go through -- go through every invoice that was ever</p> <p>14 generated, every payment that was listed from our</p> <p>15 finance department in regard to the invoices, match</p> <p>16 them up, and explain to Sagent where some of their</p> <p>17 holes were in their paperwork and accounting. And then</p> <p>18 get back to our finance department about what should be</p> <p>19 or shouldn't be issued in the way of payments towards</p> <p>20 those invoices.</p> <p>21 Q When you said some of the holes in the</p>
<p style="text-align: right;">31</p> <p>1 the software mix, and then we didn't have a formal</p> <p>2 writing of the objectives until February 8th, we did</p> <p>3 not see -- even though there was on that same date</p> <p>4 acceptance of the proposal, we did not see an invoice</p> <p>5 for well over a year that reflected the types of</p> <p>6 changes that we are talking about.</p> <p>7 Q So you were looking to get from Sagent an</p> <p>8 invoice which reflected the agreement that you all had</p> <p>9 reached in terms of reconfiguring the product mix and</p> <p>10 deleting the maintenance and support aspect?</p> <p>11 A Correct.</p> <p>12 Q And as of February 8th, 2001, MICROS had</p> <p>13 not received such an amended invoice?</p> <p>14 A We hadn't.</p> <p>15 Q But you mentioned sometime about a year or</p> <p>16 more than a year later you ultimately did.</p> <p>17 A Yes, we did.</p> <p>18 Q And do you recall when that was?</p> <p>19 A I believe that was about November of 2001.</p> <p>20 Would have been a few months after that, putting it in</p> <p>21 the winter of 2002.</p>	<p style="text-align: right;">33</p> <p>1 Sagent invoicing or paperwork, am I correct in</p> <p>2 understanding that those reflected projects that had</p> <p>3 nothing to do with this particular transaction?</p> <p>4 A That's correct. Although some of the</p> <p>5 transactions or some of the invoices were mistakenly</p> <p>6 assumed to be transactions from those other projects.</p> <p>7 At one point, notably the \$24,000 that was an original</p> <p>8 line item on the original purchase order in question</p> <p>9 here --</p> <p>10 Q Exhibit Number 1?</p> <p>11 A -- had been assumed -- yes. That's</p> <p>12 right. -- had been assumed to be annual support for one</p> <p>13 of our first clients. I indicate in this e-mail of</p> <p>14 October 15th that it was an incorrect billing.</p> <p>15 Q As of October 15th, 2001, was there any</p> <p>16 other issue, apart from your need for a revised</p> <p>17 invoice, that reflected the reconfigured product mix</p> <p>18 and the deletion of the maintenance and support</p> <p>19 component? Anything other than that that precluded</p> <p>20 MICROS from paying that \$112,000 to Sagent? Were you</p> <p>21 looking for anything else?</p>

9 (Pages 30 to 33)

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Scott Callnin - 1/22/03

<p style="text-align: right;">58</p> <p>1 who worked in the receiving department during that time 2 frame? 3 A No. 4 Q Did you ever personally see the software 5 that Sagent delivered to MICROS? 6 A Yes. 7 Q When did you see it? 8 A I can't recall even very closely when it 9 did arrive. It was, as best I can recall, sometime in 10 the fall of 2000. 11 Q And at that time was your office in 12 Beltsville? 13 A I believe we moved -- two years ago, no. 14 Three years ago. Yes, I believe. No. I believe we 15 were here in this location. Fall of 2000 we were here 16 at this location. 17 Q Were you physically here when you saw the 18 software for the first time? 19 A Yes. 20 Q Can you describe for me what it looked 21 like? Was it open? Was it in packaging?</p>	<p style="text-align: right;">60</p> <p>1 been multiple. 2 Q I think you said that the disk, or disks 3 were shrink wrapped at that time, right? 4 A Yes. 5 Q And you took them out of not the shrink 6 wrap, but the mailing package? 7 A Correct. 8 Q And put them on a shelf in your office? 9 A That's right. 10 Q Did you or anyone else at your direction 11 make copies of either the disk or disks that were 12 contained therein? 13 A No. They were never removed from the 14 shrink wrap. 15 Q How long did they stay on the shelf in your 16 office? 17 A Probably about fourteen months. Again, I 18 don't have a good recollection of exactly when I 19 received them or when I turned them over. 20 Q And to whom did you turn them over 21 ultimately?</p>
<p style="text-align: right;">59</p> <p>1 A It was delivered actually to me in my 2 office. I opened the mailing box, and the software 3 manuals and disks were shrink wrapped, and I put that 4 on my shelf in my office. 5 Q So it was initially delivered to MICROS, 6 Beltsville, correct? 7 A That's right. 8 Q And then there is some sort of internal 9 delivery procedure within the company whereby it made 10 its way from Beltsville to Columbia? 11 A Correct. 12 Q You mentioned multiple disks. How many 13 were there? 14 A I don't recall. It may have been one 15 because I knew it's their practice to put all the 16 various software on one disk and just provide a 17 different key for what they wanted to unlock on the 18 disk. Though there may have been documentation disks 19 or tutorial discs as well, or perhaps portions of what 20 was delivered might have been on a second disk. I 21 can't remember. It might have been one. It might have</p>	<p style="text-align: right;">61</p> <p>1 A To Michael Tow. 2 Q And that was approximately fourteen months 3 after they arrived in your office in the fall -- did 4 you say the fall of 2000? Yeah. 5 A That would be about right. 6 Q Did you turn all of that material over to 7 Mr. Tow at one time? 8 A Yes. That's right. 9 Q Did he return to you some months later and 10 retrieve from you additional materials provided by 11 Sagent? 12 A I don't recall if he did. 13 Q Do you have an understanding of what 14 Mr. Tow did with the materials he retrieved from you? 15 A I believe he returned them to Sagent. 16 Q Do you have an understanding as to why? 17 A I believe that was to show them -- to 18 return it in the form it came. Was to show them that 19 we hadn't ever used the software. 20 Q But I mean why was it returned at all? 21 A At the time that it was asked from me and I</p>

16 (Pages 58 to 61)

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NO. 081 P. 24

APR. 25. 2003 1:19PM MICROSYSTEMS

Scott Callnin - 1/22/03

62

1 returned it to Michael, he returned it I believe at  
2 that time -- and, again, I'm not certain exactly when  
3 that was that I turned it over. I think it was pretty  
4 much understood that our relationship with Sagent was  
5 dissolving, perhaps not formally, but at least we had  
6 issues that really weren't being resolved with our  
7 partnership.

8 Q Let me back up. There is a letter in the  
9 file which reflects that Mr. Tow signed a letter to  
10 Sagent dated September 19, 2001 which purports to  
11 include the software. Does that date sound consistent  
12 with your understanding of when he retrieved the  
13 materials from your office?

14 A What date was that?

15 Q December 19, '01.

16 A That could possibly be the appropriate  
17 date. I probably would have guessed at a little later  
18 being in the early part of the winter, but that could  
19 be possible.

20 Q You mentioned that it was your  
21 understanding that as of that time the relationship

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1 MR. TOW: Objection. I think we -- that  
2 may get into attorney-client privilege issues. I'm  
3 going to instruct you not to answer on that basis.

4 Q Without telling me from where you learned  
5 this, as of December 2001, did you have an  
6 understanding that the software would be returned to  
7 Sagent for a full credit?

8 A That is what I understood to be the hopes  
9 of the transaction, yes.

10 Q Did you learn that from someone else, or  
11 was that your inherent understanding?

12 A That was my inherent understanding. I  
13 can't recall who was leading the contract on that  
14 request to return the software for the credit.

15 Q What was your understanding in that regard  
16 based on?

17 A Based on the fact that I asked to return  
18 the software.

19 Q But I mean what was your understanding that  
20 Sagent would ultimately credit MICROS for the purchase  
21 price? What was that understanding based on?

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1 between MICROS and Sagent was dissolving. My question  
2 is do you mean globally, or with regard to this limited  
3 transaction between the two companies?

4 A Limited transaction being this specific  
5 one?

6 Q Correct.

7 A More on a global nature.

8 Q Do you know how the Sagent software was  
9 treated by MICROS for tax purposes while it was on your  
10 shelf for approximately that fourteen months?

11 A It was my understanding that we had  
12 discussions right from the very beginning that we would  
13 use this as -- it would be on the books as an asset for  
14 future use, not as an expense due to some development  
15 of business.

16 Q When Mr. Tow came to your office to  
17 retrieve the software, was there anyone in your office  
18 at the time?

19 A I don't believe anybody was.

20 Q Was there any discussion between the two of  
21 you about Sagent crediting MICROS for the \$112,000?

65

1 A Well, I wouldn't say that it was an  
2 expectation that that would happen, but the hopes that  
3 that would happen, that they would agree that was a  
4 legitimate request of us asking to take it back was  
5 that we were at ends about not being able to get any  
6 assistance with them on getting any new clients from or  
7 any help with clients from their end. Frustrations  
8 with the various billings. Waste of time involved with  
9 that. That we really, again, kind of on a global basis  
10 that it looked like we were not likely to do business  
11 together. So we wouldn't be using those licenses.

12 Q Have you in any job you've had here at  
13 MICROS had previous experience with negotiating with  
14 vendors with regard to the terms of a purchase that  
15 MICROS was going to make from that vendor as reflected  
16 in a written price quote?

17 A Once again the question.

18 Q It was a botched question. I apologize.  
19 I'm trying to find out whether in any of your  
20 capacities here at MICROS you've gone back and forth  
21 with a vendor regarding a contemplated transaction

17 (Pages 62 to 65)

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Scott Callnin - 1/22/03

<p style="text-align: right;">74</p> <p>1 Q And I think I asked you earlier whether you</p> <p>2 took any notes at the meeting. Did you?</p> <p>3 A I do not believe I did.</p> <p>4 Q Was there a written agenda prepared in</p> <p>5 anticipation of the meeting?</p> <p>6 A No.</p> <p>7 Q We talked a little bit earlier about some</p> <p>8 deep discounting that you recall Sagent making at the</p> <p>9 meeting, correct?</p> <p>10 A Correct.</p> <p>11 Q Who do you recall talking about that issue?</p> <p>12 A Primarily Gene.</p> <p>13 Q Gene Garrett?</p> <p>14 A That's right.</p> <p>15 Q Do you recall any discussion at the meeting</p> <p>16 about the notion that Sagent and MICROS would work</p> <p>17 together to service mutual customers?</p> <p>18 A Once again?</p> <p>19 Q Do you recall any discussion at that June</p> <p>20 6th, 2000 meeting about the notion that Sagent and</p> <p>21 MICROS would work together to serve mutual customers?</p>	<p style="text-align: right;">76</p> <p>1 A Yes. We would have gone over some</p> <p>2 potential lead prospects. I'm not sure in the time</p> <p>3 frame of summer of 2000 who we would have offered up at</p> <p>4 the time, but at that point, we had been working with</p> <p>5 AmeriKing. So it probably would have been, again, some</p> <p>6 of the notions that other Burger Kings could have</p> <p>7 followed suit.</p> <p>8 Q Did anyone from Sagent at that meeting say</p> <p>9 that MICROS could return the software and the</p> <p>10 analytical calculator to Sagent if MICROS couldn't</p> <p>11 resell or relicense it for a full refund?</p> <p>12 A I don't think that was said in exactly that</p> <p>13 manner. It was more in -- I might not have the exact</p> <p>14 quote, but "We'll help you get rid of it."</p> <p>15 Q Who said that?</p> <p>16 A Would have been Gene.</p> <p>17 Q And what was your understanding of what he</p> <p>18 meant by that statement? I'm not holding you to those</p> <p>19 words because you indicated you are not sure if that is</p> <p>20 his exact quote, but what was your understanding as of</p> <p>21 that time what he was trying to convey?</p>
<p style="text-align: right;">75</p> <p>1 A I think that was the understanding before</p> <p>2 the meeting -- going into the meeting. Perhaps</p> <p>3 reiterated, but that was not anything new during the</p> <p>4 meeting.</p> <p>5 Q Do you have a specific recollection of it</p> <p>6 being reiterated at the meeting?</p> <p>7 A Yes. Uh-huh.</p> <p>8 Q Who said that?</p> <p>9 A I believe it would have been Dan VanVeelen</p> <p>10 primarily talking about -- I think offer up again maybe</p> <p>11 one lead at that time who I believe was Shoney's.</p> <p>12 Perhaps some inquiries on our part if that had gone</p> <p>13 anywhere, and just response that they were still trying</p> <p>14 to follow up with that contact.</p> <p>15 Q So Shoney's was the Sagent lead?</p> <p>16 A Right.</p> <p>17 Q And the inquiries regarding the status of</p> <p>18 that lead came from the MICROS folks there?</p> <p>19 A Uh-huh.</p> <p>20 Q Did MICROS talk about any specific leads it</p> <p>21 had at that time at the meeting?</p>	<p style="text-align: right;">77</p> <p>1 A That they would help us find clients</p> <p>2 either -- first and foremost clients for Insight</p> <p>3 product who would buy this product, and thus the</p> <p>4 software, or even barring perhaps an Insight client,</p> <p>5 that they would be able to identify someone who may</p> <p>6 just want to buy the software from as an OEM even</p> <p>7 perhaps outside the context of Insight.</p> <p>8 Q What is OEM?</p> <p>9 A Software reseller agreement.</p> <p>10 Q What do those letters stand for, if</p> <p>11 anything?</p> <p>12 A I don't recall.</p> <p>13 Q Apart from the notion that you recall</p> <p>14 Mr. Garrett expressing that Sagent would work with</p> <p>15 MICROS to identify mutual customers, do you recall him</p> <p>16 or any other Sagent employee at that meeting indicating</p> <p>17 that if that effort were ultimately unsuccessful that</p> <p>18 MICROS could return the software to Sagent for a full</p> <p>19 refund?</p> <p>20 A I don't recall language to that extent.</p> <p>21 Specifically full refund I don't recall.</p>

20 (Pages 74 to 77)

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